

Decision 02-02-008 February 7, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
(U 39 G) for an Order Pursuant to Section
1005.5(b) of the Public Utilities Code to Increase
the Maximum Cost Specified in PG&E's
Certificate of Public Convenience and Necessity
to Construct the California Portion of the
Expansion of its Natural Gas Pipeline.

Application 92-12-043
(Filed December 21, 1992)

And Related Matters.

Application 93-03-038
Application 94-05-035
Application 94-06-034
Application 94-09-056
Application 94-06-044
Application 96-08-043
Rulemaking 90-02-008
Rulemaking 88-08-018
Rulemaking 92-12-016
Investigation 92-12-017
Application 92-07-049
Application 95-02-008
Application 95-02-010
Application 94-11-015
Application 93-04-011
Application 94-04-002
Application 95-04-002
Application 96-04-001
Application 94-12-039

**OPINION REGARDING THE NORTHERN CALIFORNIA GENERATION
COALITION EMERGENCY PETITION TO
MODIFY DECISION 97-08-055 AND RESOLUTION G-3288**

I. Summary

On January 26, 2001, the Northern California Generation Coalition (NCGC)¹ filed an emergency petition to modify Decision (D.) 97-08-055² and Resolution G-3288. D.97-08-055 approved the Gas Accord settlement for Pacific Gas and Electric Company (PG&E), and Resolution G-3288 implemented the tariffs associated with the Gas Accord.

NCGC's petition requests that the decision and the resolution be modified to give electric generators a higher priority than other noncore customers, for the duration of the current electricity crisis, in the event of a diversion or curtailment of natural gas supplies in PG&E's service territory.

Given the background as to how the priority of service rules were created, the ramifications that such a change could have on other noncore customers, and our findings in D.01-12-019, NCGC's request to modify the decision and the resolution is denied.

II. Background

NCGC's petition requested that the Commission take immediate action on its petition pursuant to Rule 81(f) of the Commission's Rules of Practice and Procedure, or that in the alternative, the normal 30-day period for responses to

¹ According to the petition, the members of NCGC are the City of Redding, the Modesto Irrigation District, the Northern California Power Agency, the Turlock Irrigation District, and Silicon Valley Power.

² This decision is found in 73 CPUC2d 754.

petitions for modification be shortened to five days pursuant to Rule 47(f). An Administrative Law Judge's ruling was issued on February 16, 2001, which granted NCGC's request to shorten the time to respond to the petition. Interested parties were given until February 20, 2001 to file responses to NCGC's petition.

Joint responses to the petition were filed by the California Industrial Group and the California Manufacturers & Technology Association (collectively referred to as "CIG/CMTA"), and by San Diego Gas & Electric Company and Southern California Gas Company (collectively referred to as the "Sempra utilities"). PG&E also filed a response.

On March 15, 2001, we opened a rulemaking, R.01-03-023, to consider whether gas-fired electric generators should be given a higher priority of service over other noncore gas customers. One of the reasons for opening this rulemaking was NCGC's petition to modify. (See R.01-03-023.) After taking written comments from interested parties,³ we adopted D.01-12-019 on December 11, 2001. In that decision, we declined to grant a priority to electric generators for gas service.⁴

³ Among those participating in R.01-03-023 was the California Generation Coalition (CGC). The CGC members include all of the NCGC members. (See CGC's April 6, 2001 Comment in R.01-03-023, and footnote 1.)

⁴ R.01-03-023 was left open to consider whether within the class of electric generators if priorities to allocate gas should occur in the event of a gas curtailment. In particular, the Commission is interested in determining whether the Commission should allocate gas among electric generators based on a generator's heat rate and how the generator's operations affect grid reliability. (D.01-12-019, pp. 18-19, 34-35.)

III. Position of the Parties

A. Position of NCGC

NCGC seeks to modify the gas curtailment and diversion rules contained in the PG&E Gas Accord decision and resolution. Specifically, NCGC seeks to give gas-fired electric generation usage a higher priority than other noncore end users for the duration of the current electricity crisis. These curtailment and diversion rules are found in PG&E's Gas Rule 14. Instead of following the priorities established in PG&E's Gas Rule 14, NCGC requests that in the event of a curtailment, non-electric generation service be interrupted before service to electric generators is interrupted. In the event of a gas diversion, NCGC requests that gas transported for electric generation purposes be diverted only after non-electric generation noncore uses have been diverted.

NCGC contends that the Gas Accord and Resolution G-3288 permits PG&E to cut or reduce service to noncore customers in certain situations. NCGC believes that one such situation is found in Section II.E.11.a of the Gas Accord. That section provides for the curtailment of noncore customers in the event PG&E determines that curtailment is necessary due to a constraint on PG&E's local transmission or distribution systems. According to NCGC, the Gas Accord does not provide PG&E with the authority to discriminate among noncore customers on the basis of their end use.

NCGC contends that a second situation for cutting or reducing service may occur when a gas diversion is called pursuant to Section II.E.12.a of the Gas Accord if "operational conditions exist such that supply is insufficient to meet demand and delivery to end-users is threatened. . . ." Instead of providing PG&E with the authority to discriminate among noncore customers on the basis of end use, the Gas Accord established the following order for diverting gas supply on PG&E's transmission system:

“i. Noncore supply scheduled under As-available transportation is diverted in order of contract transmission price and on a pro rata basis for all volumes with the same price. However, scheduled deliveries from storage using As-available transmission will be treated as the highest priority noncore firm transmission.

“ii. Firm transportation to on-system noncore end-users.” (73 CPUC2d at p. 811.)

NCGC contends that a higher priority for electricity generators is supported by the language contained in the Temporary Emergency Natural Gas Purchase and Sale Order, and Further Temporary Emergency Natural Gas Purchase and Sale Order that were issued by the Secretaries of the United States Department of Energy (DOE) on January 19, 2001 and January 23, 2001, respectively. In addition, NCGC asserts that the January 9, 2001 letter to Governor Gray Davis from Gordon R. Smith, the President and Chief Executive Officer of PG&E, indicated that diverting gas from electric generators would “decrease the level of electric generation in Pacific Gas and Electric Company’s service territory and lead to worsening outages on the electric system.” NCGC argues that even though it is obvious that there is a heightened need to avoid curtailments or interruptions of gas service to electric generators in the current crisis, PG&E’s Gas Rule 14 fails to provide for any special consideration of electric generators.

In accordance with Rule 47(d) of the Commission’s Rules,⁵ NCGC asserts that it did not file its petition within one year of the issuance date of

⁵ Rule 47(d) provides that if more than one year has elapsed since the effective date of the decision, the petition for modification must explain why the petition could not have been presented within the first year.

D.97-08-055 because the conditions which resulted in the current electricity crisis did not exist at that time, and were never contemplated when the Gas Accord was negotiated and subsequently approved by the Commission.

B. Position of PG&E

PG&E contends that NCGC has not provided a sufficient policy justification or an adequate evidentiary basis to make a major change to the longstanding rules regarding service priority. NCGC has not provided any information about the impact that such a policy change would have on other noncore customers. PG&E recommends that the Commission deny the petition, or, in the alternative, schedule evidentiary hearings.

PG&E states that the Commission needs to remain cognizant of the “very important, practical differences between supply diversions, on the one hand, and customer curtailments, on the other hand.”⁶ If the Commission decides to give electric generators a higher priority than other noncore customers, PG&E states that the higher priority can only be instituted for gas curtailments at the present time, and that a lead time of six months is needed if the higher priority is to apply to gas diversions.

PG&E points out that the current gas supply situation in Northern California is familiar to the Commission. PG&E states that an evidentiary hearing was held on February 16, 2001 in PG&E’s application (A.01-01-024) requesting mutual assistance from Southern California Gas Company (SoCalGas). PG&E states that the evidentiary record developed in that proceeding provides valuable and timely information regarding the gas supply

⁶ A review of the petition and the responses indicates that the term “curtailment” is frequently used to refer to a gas diversion or to a gas curtailment.

situation, and that the Commission should refer to and incorporate by reference the record developed in A.01-01-024.

PG&E maintains that prior to the Gas Accord and the deregulation of the electric industry, gas priorities were established based on the customer's end-use and the customer's ability to burn alternative fuels. In the early 1990s, PG&E's utility electric generation (UEG) facilities had the lowest priority. UEG and other noncore customers were required to maintain adequate backup fuel on site in the event of a curtailment.

In 1993, the Commission lifted the alternative fuel requirement in D.93-09-082. The UEG's priority was raised to the same level as other noncore industrial customers, excluding cogeneration.⁷ When the Gas Accord was adopted, UEGs were made equal in priority to all noncore uses, including cogeneration. Following the deregulation of the electric industry, most of PG&E's UEG plants were sold to other generating companies.

PG&E states that NCGC's petition does not explain whether the preference given to gas-fired electric generators would be equal to, or below, that of core customers.⁸ It appears, however, that NCGC intends that electric generators should constitute a new class of service for gas deliveries that is below the core, but higher than other noncore customers.

PG&E does not believe that the petition provides a sufficient basis to change the longstanding rules which govern service priority to noncore

⁷ Cogenerators were provided with a higher priority than UEG in D.92-07-025. PG&E's Gas Rule 14 stated at the time that all of the UEG gas service had to be curtailed before any cogeneration was impacted.

⁸ PG&E notes that the gas-fired electric generators in Northern California are predominantly generation plants that are owned by municipal electric utilities.

customers. NCGC's petition would essentially terminate gas service to other noncore customers before service to gas-fired electric generators would be affected. Although PG&E agrees that gas-fired generation is an essential component of a source of electric power for California, and that gas-fired generation is especially critical during the current electricity crisis, that does not mean the gas priority rules should now be changed to give electric generators a higher priority than other noncore customers. PG&E also contends that the DOE's orders do not make it "self-evident," as NCGC claims, that electric generation must be given a higher priority than other noncore uses.

PG&E believes that a more extensive record is needed to support a change in curtailment priorities. PG&E states that NCGC has failed to point out in its petition that gas-fired electric generation accounts for two-thirds of PG&E's noncore load on a typical winter day. PG&E contends that if electric generators are given a higher priority, so that other noncore customers are curtailed entirely, the impact on other noncore uses could be disastrous. PG&E states that before the Commission makes a change to the curtailment rules, the Commission should examine the impact on other customers, including the effects on hospitals, refineries, prisons, universities, and military bases.

PG&E also asserts that NCGC has not explained why electric generators have not obtained firm storage withdrawal rights in PG&E's service territory. PG&E points out that under the existing Gas Rule 14, gas withdrawn from storage has a higher priority than all other noncore gas flowing under firm transportation contracts. Thus, electric generators and other noncore customers can use firm storage service to protect their flowing supplies from diversions, and in some circumstances, from curtailments. Before making any changes to

PG&E's Gas Rule 14, PG&E recommends that the Commission gather evidence about why the electric generators have not pursued this storage option.⁹

PG&E asserts that if electric generators are given a higher priority of service than other noncore customers during a supply diversion or a curtailment, then the Commission should also consider, once the Gas Accord expires at the end of 2002, how to restructure the rates the generators pay for gas service. PG&E contends that if electric generators receive a higher quality service than other noncore customers, then they should be required to pay a higher rate for this superior service.

If the Commission considers any changes to the gas curtailment rules, PG&E contends that the Commission should also adopt non-compliance penalties for entities that fail to obey a curtailment ordered under Rule 14. Although Rule 14 contains a \$50 per decatherm penalty for failing to comply with a gas supply diversion, there is no penalty for a failure to comply with a curtailment order. PG&E recommends that if the priority order in Rule 14 is modified, the rule should be amended to include a \$50 per decatherm penalty for a customer's failure to comply with a gas curtailment order.

If a higher priority is established for electric generators in the event of a gas diversion, PG&E states that it would need at least six months to make substantial modifications to PG&E's computer system in order to track and distinguish the gas supplies destined for electric generation from the gas supplies bound for other noncore uses. PG&E contends that such modifications

⁹ PG&E also notes that increased use of underground storage services by gas-fired electric generators would have a positive effect on the price of natural gas by dampening the prices paid for gas by electric generators during the winter months.

are needed because gas supplies come from a variety of marketers and other sources, and gas supplies often trade hands several times before they reach the ultimate end-use customer. If electric generators are given a higher priority during a gas curtailment, PG&E states that this would not require extensive computer system modifications.

C. Position of CIG/CMTA

CIG/CMTA are opposed to NCGC's petition because it seeks to reverse the curtailment and diversion rules which have been in existence since 1991, and which were incorporated into the PG&E Gas Accord. By seeking to give electric generators a higher priority, CIG/CMTA contend that such a modification will disrupt natural gas service to all other large businesses in Northern California in the middle of the winter season in order to benefit the NCGC members.

CIG/CMTA point out that in D.91-11-025, the Commission eliminated the curtailment priority based upon end-use, and instead decided to allocate gas among noncore customers based on the customers' decision to purchase firm or interruptible service. Diversion of noncore customer gas was implemented on a pro rata basis. These same curtailment and diversion principles were continued in D.97-08-055, and then incorporated into the Gas Accord. CIG/CMTA contend that noncore customers have relied on the same curtailment and diversion rules for over 10 years to plan their operations, and to change the priorities at this juncture would be unfair and unjustified.

CIG/CMTA point out that electric generators make up approximately two-thirds of PG&E's noncore load. If electric generators are given a higher priority than other noncore customers, CIG/CMTA contend that the likely result is that gas service to all other noncore customers would stop, perhaps for an

extended period of time. Without gas service, the non-electric generator customers' plant equipment could be damaged. In addition, they may be forced to lay off workers.

If these non-electric generator businesses are shut down, CIG/CMTA contend that the likely consequence is that there will be no demand for the electricity generated by the electric generators who will receive a higher priority. In addition, terminating gas service to one-third of the noncore load is unlikely to meaningfully increase gas deliveries to the remaining two-thirds of the noncore load represented by the electric generators.

CIG/CMTA contend that the gas curtailment rule was designed to provide noncore customers with options, and that noncore customers were expected to make their own contingency plans in the event of a gas curtailment. Noncore customers could choose to cease operations, rely on firm storage services, or acquire sufficient supplies of alternate fuels to use in the event of a curtailment. NCGC's request would essentially force other noncore customers to subsidize electric generators who have failed to acquire alternate fuels or to take advantage of firm storage service.

As for NCGC's reliance on the DOE orders, CIG/CMTA respond that those orders have expired, and that the orders never addressed the issue of whether electric generators should be given a higher priority over other noncore customers.

CIG/CMTA suggest that if the NCGC members want a higher curtailment priority, the NCGC members should seek out and negotiate mutually agreeable arrangements with individual noncore customers. CIG/CMTA state that these noncore customers may be willing to provide their remaining gas supplies after a pro rata curtailment to NCGC members has occurred.

If electric generators are given a higher priority over other firm noncore customers, CIG/CMTA recommend that the Commission require the electric generators to pay other noncore customers an involuntary diversion fee of \$50 per decatherm.

CIG/CMTA also contend that NCGC has failed to demonstrate that an emergency exists, and thus, no basis exists for NCGC's emergency petition. CIG/CMTA assert that at the present time, PG&E has adequate gas supplies. In addition, the Commission recently authorized PG&E to pledge its accounts receivable as security for its gas purchases, which CIG/CMTA believe will improve PG&E's ability to procure gas.

D. Position of Sempra Utilities

The Sempra utilities take no position on NCGC's petition as it relates to PG&E's system. They do, however, emphasize that any modifications to PG&E's curtailment priority should be confined to PG&E, and should not result in any modifications to the curtailment priorities for the Sempra utilities.

IV. Discussion

In this discussion, we have taken heed of PG&E's advice that the use of the term gas "curtailment" and gas "diversion" have separate and distinct meanings in PG&E's Gas Rule 14.

A curtailment is described in the PG&E Gas Accord settlement as whatever steps PG&E "determines are operationally necessary in the event a constraint on local transmission or distribution threatens service to customers." This includes a curtailment of noncore customers. (73 CPUC2d 754, 811, App. B, § II.E.11.) PG&E Gas Rule 14 does not specifically define what a curtailment is, but instead talks in terms of capacity allocation at a receipt point, and delivery point service restriction. Rule 14.A. states:

“Capacity allocation is a reduction or adjustment of the nominations at a specific Receipt Point to match the capacity available at the Receipt Point or the capacity available in transmission facilities connected to the Receipt Point. A Delivery Point service restriction is a reduction of the daily quantity delivered for the Customer or temporary interruption of the Customer’s service. A Customer’s intrastate service choices will affect the frequency and duration of capacity allocations and delivery point service restrictions.”

Rule 14 goes on to describe in Rules 14.B. and 14.C. the type of capacity allocation constraints at the receipt point, and the constraints which restrict service at the delivery point. (See 73 CPUC2d 754, 811, App. B, § II.E.10.)

A “diversion” is described in Rule 14 as follows:

“When operational conditions exist such that supply is insufficient to meet demand and deliveries to Core End-Use Customers are threatened, and subject to the obligations of Core Procurement Groups to utilize all available capacity associated with supply, PG&E may divert gas supply in its system from Noncore End-Use Customers to Core End-Use Customers.” (PG&E Gas Rule 14.G.; 73 CPUC2d 754, 811, App. B, § II.E.12.)

In a curtailment situation, Rules 14.D.1. and D.2. provide that PG&E will allocate service in the following order: to all firm service, which will be treated equally, with pro rata allocation of nominations if necessary; and then “As-Available service will be scheduled according to contract price, with the lowest price capacity interrupted first.” (Footnote omitted.)

In the event of a diversion, the diversions will occur in the following order:

“a. Supply scheduled under As-Available transmission service will be diverted in order of increasing transmission contract price and on a pro rata basis for all volumes transported under the same price. However, supply under scheduled deliveries from storage using As-Available transmission service will be treated as the highest priority Firm transmission service

“b. Supply scheduled to Noncore End-User Customers under Firm transmission is diverted on a pro rata basis.

“c. Scheduled deliveries from storage using Firm or As-Available transmission service will be treated as the highest priority Firm transmission service and will be diverted on a pro rata basis.”
(PG&E Gas Rule 14.G.1.)

The purpose of NCGC’s petition is to keep the gas flowing to electric generators in PG&E’s service territory in the event gas supplies to noncore customers are curtailed or diverted. NCGC believes that “there is a heightened need to avoid curtailments or interruptions of gas service to electric generation in the current crisis”

We agree with NCGC and PG&E that electricity generation is important, especially when more electric generating capacity is needed. However, for the reasons described below, we do not agree that NCGC’s petition to modify the PG&E Gas Accord decision and resolution should be granted.

Although the DOE orders reference former President Clinton’s January 19, 2001 declaration that a natural gas supply emergency exists in the central and northern regions of California, and that the emergency “threatens the continued availability of natural gas for high-priority uses, including electric generation,”¹⁰ those orders and the declaration did not address PG&E’s curtailment and diversion priorities.

The priority of service rules have been in existence in one form or the other since November 1991. In D.91-11-025 (41 CPUC2d 668), the former system of using end-use priority to determine curtailments was eliminated. In its place, the

¹⁰ DOE January 23, 2001 Further Temporary Emergency Natural Gas Purchase and Sale Order.

Commission adopted a curtailment system whereby noncore customers would receive service according to their level of payment. Interruptible noncore transmission service would be curtailed before firm noncore transmission service. In a diversion situation, firm noncore transmission service customers are diverted on a pro rata basis, except that UEG volumes are curtailed before cogenerator volumes. (41 CPUC2d at pp. 686 and 725.)

In D.93-09-082 (51 CPUC2d 441), the alternative fuel requirement for noncore customers was eliminated. The effect of this was to raise the UEG priority to the same level as other noncore customers except for cogeneration. (51 CPUC2d at pp. 444 and 448.) Then in the PG&E Gas Accord, all noncore uses, including UEG and cogeneration, were made equal in priority. (73 CPUC2d at pp. 810-811.)

As described above, the process leading up to the curtailment and diversion priorities contained in the PG&E Gas Accord was not developed overnight. These priorities should not be changed without a thorough evaluation of the ramifications resulting from the proposed modifications, and the input of affected parties. The settlement itself noted that the “Accord is a negotiated compromise on a number of issues related to many proceedings,” and the “Accord is to be treated as an entire package and not as a collection of separate agreements on discrete proceedings” D.97-08-055 acknowledged that both core and noncore customer representatives “settled many difficult economic and regulatory issues” in the Gas Accord settlement. (73 CPUC2d at p. 774.) A similar opportunity should be provided before the priority of service rules are changed.

The responses of CIG/CMTA and PG&E warn of the consequences to other noncore customers if electric generators are given a higher priority. If the gas supplies of non-electric generator customers are diverted or curtailed, it is

likely that some of these noncore customers will be forced to shut down or reduce their operations. Although the generation of electricity is important, the choice between a shortage of electricity and a shortage of natural gas for other noncore customers is a difficult one. If gas destined for non-electric generator customers is curtailed or diverted, this is likely to impact the manufacturing operations and gas needs of one-third of the noncore gas load, approximately 1100 customers. If these noncore customers have to reduce or shut down their operations because of a lack of gas supplies, a number of employees are likely to be laid off, manufacturing processes will suffer, and these combined impacts are likely to have ripple effects throughout the state's economy. In addition, if electric generators are given a higher priority, there could be health and safety impacts as well.

We recognized this potential impact in D.01-12-019. We stated in part "that setting priorities for gas service would require a careful consideration of the many users of gas and the importance of their goods and services for California," and that a "simple 'electric generator' approach to setting priorities is not a reasonable approach to such a complex issue." (D.01-12-019, p. 17.)

We also determined in D.01-12-019, that barring an exceptionally cold winter, that there should be adequate natural gas supplies over the next 12 months. In addition, we found that no curtailments or diversions are likely for the systems of PG&E and SoCalGas. (D.01-12-019, pp. 13-14.)

We also noted in D.01-12-019 at page 32 that CGC's comments to the draft of that decision acknowledged that the crisis that provided the motivation to give electric generators a higher priority for the natural gas had passed.

For all of the above reasons, NCGC's petition to modify the PG&E Gas Accord and Resolution G-3288 should be denied.

V. Comments on Draft Decision

The draft decision in this matter was mailed on January 7, 2002, to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. PG&E, which was the only party to file comments, supports the adoption of the draft decision.

Findings of Fact

1. On January 26, 2001, the NCGC filed an emergency petition to modify D.97-08-055 and Resolution G-3288.
2. One of the reasons for opening R.01-03-023 was because of NCGC's petition to modify D.97-08-055 and Resolution G-3288 to give electric generators a higher priority, for the duration of the electricity crisis, than other noncore gas customers in the event of a diversion or curtailment of gas supplies in PG&E's service territory.
3. D.01-12-019, issued in R.01-03-023, decided that electric generators should not be given a priority for gas service.
4. The curtailment and diversion rules are found in PG&E's Gas Rule 14.
5. The term gas "curtailment" and gas "diversion" have separate and distinct meanings in PG&E's Gas Rule 14.
6. Electricity generation is important, especially when more electric generating capacity is needed.
7. The DOE orders and the President's declaration did not address PG&E's curtailment and diversion priorities.
8. The priority of service rules have been in existence in one form or the other since November 1991.

9. The former system of using end-use priority to determine curtailments was eliminated in D.91-11-025, and replaced by a system that noncore customers would receive service according to their level of payment.

10. The elimination of the alternative fuel requirement for noncore customers raised the UEG priority to the same level as other noncore customers, except for cogeneration.

11. In the PG&E Gas Accord decision, all noncore uses, including UEG and cogeneration, were made equal in priority.

12. If the gas supplies of non-electric generator customers are diverted or curtailed, it is likely that some of these noncore customers will be forced to shut down or reduce their operations, which is likely to have a ripple effect throughout the state's economy.

13. The choice between a shortage of electricity and a shortage of natural gas for other noncore customers is a difficult one.

14. The potential economic impact of a change in priority of service was recognized in D.01-12-019.

15. D.01-12-019 recognized that there should be adequate natural gas supplies over the next 12 months, and that no curtailments or diversions are expected.

16. In CGC's comments to the draft decision of D.01-12-019, it acknowledged that the crisis that provided the motivation for a change in gas priority had passed.

Conclusions of Law

1. The priority of service rules should not be changed without a thorough evaluation of the ramifications resulting from the proposed modifications, and the input of affected parties.

2. The Gas Accord settlement was a negotiated compromise on a number of issues, and should be treated as an entire package.

3. The Commission should thoroughly evaluate the advantages and disadvantages of assigning a higher priority to gas-fired electric generators than to other noncore customers before making any changes to the priorities for curtailment and diversion.

4. NCGC's petition for modification of the PG&E Gas Accord decision and Resolution G-3288 should be denied.

O R D E R

1. The emergency petition for modification of Decision 97-08-055 and Resolution G-3288, that was filed by the Northern California Generation Coalition on January 26, 2001, is denied.

2. These proceedings are closed.

This order is effective today.

Dated February 7, 2002, at San Francisco, California.

LORETTA M. LYNCH

President

HENRY M. DUQUE

RICHARD A. BILAS

CARL W. WOOD

GEOFFREY F. BROWN

Commissioners